

# The New Direction Congress:

## Restoring the American Dream

### Largest College Aid Expansion Since The GI Bill In 1944

The New Direction Congress has passed and the President has signed into law, legislation that makes college more affordable. The College Cost Reduction and Access Act is the single largest investment in college financial assistance since President Roosevelt signed the GI Bill in 1944 to provide education and job training for veterans returning from World War II.



The historic legislation is funded at no new cost to U.S. taxpayers by ending excessive federal subsidies to the lending industry.

College costs have grown nearly 40 percent in the last five years-preventing an estimated 200,000 students from going to college each year. This legislation reverses that trend by:

- ★ Cutting student loan interest rates in half, saving the typical student borrower \$4,400 over the life of the loan;
- ★ Increasing Pell Grant amounts by \$1,090 over five years;
- ★ Forgiving loans for graduates who provide 10 years of public service, such as public school teachers or first responders;
- ★ Guaranteeing that borrowers will never have to spend more than 15 percent of their yearly discretionary income on loan repayments, and allowing those in economic hardship to have their loans forgiven after 25 years;
- ★ Making landmark investments in Historically Black Colleges and universities, Hispanic-serving institutions, and other minority-serving institutions; and
- ★ Reducing the federal budget deficit by \$750 million by cutting subsidies to the lending industry.